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# Message Text

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53
ACTION EA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-01 INR-05 L-01

NSAE-00 NSC-05 PA-01 RSC-01 PRS-01 SP-02 SS-15

USIA-06 EB-04 AID-05 ABF-01 OMB-01 TRSE-00 DRC-01

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R 161115Z OCT 74
FM AMEMBASSY SAIGON
TO SECSTATE WASHDC 9597

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FOR EA/VN WENZEL

E.O. 11652: NA
TAGS: MARR AFIN VS
SUBJ: ICCS FINANCES: STATUS OF CONTRACTS

REF: STATE 225618

1. IN ADDITION TO PA&E AND AIR AMERICA, ICCS LISTS THE FOLLOWING SIX FIRMS AS CONTRACTORS: INDEX, FUJI-XEROX, AMERICAN ENTERPRISES, GRAND PACIFIC, MOVIE SERVICE CENTER, AND DR. NGUYEN DINH LY.

2. INDEX IS A LOCAL FIRM ENTIRELY OWNED, AS FAR AS WE KNOW, BY ROBERT BURNS, AN AMERICAN EX-USAID EMPLOYEE. INDEX IS RESPONSIBLE FOR OPERATING THE ICCS OFFICERS' CLUB, MESS, AND SNACK BAR IN SAIGON, AS WELL AS A SMALL PX-COMMISSARY FACILITY. IN VIEW OF HIS FIRM'S DEPENDENCE ON US INSTALLATIONS, BURNS MAINTAINS CLOSE CONTACT WITH THE EMBASSY'S ICCS LIAISON UNIT. ACCORDING TO BURNS, HIS MONTHLY BILL TO THE ICCS IS $9,881.50.

3. FUJI-XEROX IS
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A JAPANESE FIRM WITH A JAPANESE LOCAL MANAGEH.

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THE CONTRACT WITH THE ICCS PROVIDES FOR THE USUAL SERVICE OF PHOTOCOPY MACHINES. THE CONTRACT SPECIFIES THAT PAYMENT WILL BE MADE TO THE FIRM'S HONG KONG BANK. THE LAST MONTHLY BILLING WAS $12,713 ACCORDING TO PA&E. USDAO AND USAID ALSO HAVE CONTRACTS WITH THIS FIRM.

4. AMERICAN ENTERPRISES IS A SMALL LOCAL FIRM OWNED BY A RESIDENT AMERICAN NAMED A. KELLY SHELTON. THE CONTRACT REQUIRES THE FIRM TO BE READY TO PROVIDE THREE BOATS TO THE ICCS FOR WATERBORNE TRANSPORTATION AT THE ICCS REGIONAL HEADQUARTERS AT CAN THO AND MY THO, AT A COST OF SOME $1,800 PER MONTH.

5. GRAND PACIFIC SERVICES IS AN AMERICAN FIRM WITH ITS HEAD OFFICE IN GUAN BUT THE OWNER LIVES IN HONOLULU. THE LOCAL MANAGER, KAP JIN LEE, IS A KOREAN NATIONAL. THE CONTRACT PROVIDES THAT GRAND PACIFIC WILL UNDERTAKE "MINOR CONSTRUCTION PROJECTS" FOR THE ICCS ON A COST-PLUS BASIS. THE ICCS PROVIDER GRANL PICIFIC WITH MODEST OFFICE AND WAREHOUSE SPACE IN THE ICCS AREA AT TAN SON NHUT. THE ICCS HAS NOT INCURRED ANY BILLS FROM THIS CONTRACTOR RECENTLY BECAUSE IT HAS NOT ORDERED ANY CONSTRUCTION WORK.

6. MOVIE SERVICE CENTER IS A LOCAL VIETNAMESE FIRM WHICH PROVIDES MOVIES FOR THE ICCS REGIONAL HEADQUARTERS IN THE FIELD FOR APPROXIMATELY $850 PER MONTH. DR. NGUYEN DINH LY IS A VIETNAMESE WHOSE LABORATORY PROVIDES X-RAY SERVICES GOR THE ICCS, THE CONTRACT PROVIDING FOR A CHARGE OF $2.28 FOR EACH X-RAY. ACCORDING TO AN ICCS SECRETARIAT OFFICIAL THE COST OF THIS CONTRACT IS LESS THAN $300 PER MONTH.

7. COPIES OF FIVE OF THESE CONTRACTS ARE BEING POUCHED TO EA/VN.

8. RE QUESTIONS 2 AND 3 OF REFTEL, PA&E SUBMITTED TO THE ICCS A DRAFT OF A NEW COMPREHENSIVE CONTRACT AT THE END OF AUGUST. THIS DRAFT IS STILL BEING CONSIDERED BY THE ICCS AD HOC COMMITTEE ON CONTRACTS. MEANWHILE, BY INFORMAL AGREEMENT PA&E IS CONTINUING TO WORK ON THE BASIS OF THE EGPIRED CONTRACT EXCEPT THAT THE ICCS HAS UNDERTAKEN TO PAY ALL PA&E INVOICES WITHIN FIVE DAYS OF RECEIPT AS LONG AS THE ICCS HAS FUNDS, AND PA&E'S FEE
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HAS BEEN RAISED TO 4.25 PERCENT. THE PRIMARY DIFFERENCE IN THE MOST RECENT PATTERN OF PA&E COSTS FROM THE PATTERN REPORTED IN SAIGON'S 11562 HAS BEEN A GREAT DECREASE IN THE COST OF AUTOMOBILE GASOLINE AFTER THE VIETNAMESE TAX WAS REMOVED (SAIGON 13232). THE COST OF SECURITY SERVICES MAY INCREASE, PARTICULARLY SINCE THE RECENT BURGLARY OF IRANIAN AMBASSADOR SADRY'S RESIDENCE SHOWED THE NEED FOR MORE GUARDS IN THAT ICCS COMPOUND. PA&E ALSO FORECASTS REDUCTIONS IN PROJECTED CAPITAL

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EXPENDITURES, MATERIAL COSTS, BUILDING AND GROUND MAINTENANCE, AND GENERAL REPAIRS. PA&E HAS WORKED UP A NEW DRAFT BUDGET FOR THE ICCS FOR THE LAST SIX MONTHS OF ITS CURRENT FISCAL YEAR. DETERMINABLE NEW PATTERN OF PA&E CONTRACT COSTS WILL DEPEND ON THE NEW CONTRACT AND ON THE REVISED BUDGET FOR THE REMAINING SIX MONTHS. WILL REPORT ON OR POUCH DOCUMENTATION AS IT BE-COMES AVAILABLE.

9. MEANWHILE, AIR AMERICA ON OCTOBER 4 SUBMITTED A PROPOSAL TO THE ICCS FR A REDUCTION OF AIR SERVICES WITHIN ITS PRESENT CONTRACT WHICH WOULD REDUCE MONTHLY COSTS BY AN ESTIMATED $83,000. THIS PROPOSAL IS NOW BEING CONSIDERED BY THE ICCS MILITARY COMMITTEE. TEXT POUCHED.
MARTIN

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# Message Attributes

**Automatic Decaptioning:** X
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**Current Classification:** UNCLASSIFIED
**Concepts:** AIR TRANSPORTATION, BUSINESS FIRMS, CONTRACTS
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**Copy:** SINGLE
**Draft Date:** 16 OCT 1974
**Decaption Date:** 01 JAN 1960
**Decaption Note:**
**Disposition Action:** RELEASED
**Disposition Approved on Date:**
**Disposition Authority:** elyme
**Disposition Case Number:** n/a
**Disposition Comment:** 25 YEAR REVIEW
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**Disposition History:** n/a
**Disposition Reason:**
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**Subject:** ICCS FINANCES: STATUS OF CONTRACTS
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